

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF JAMES B. AND)	APPEAL NO. 06-A-2547
LESLIE A. BENING JR. from the decision of the Board)	FINAL DECISION
of Equalization of Kootenai County for tax year 2006.)	AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing January 17, 2007, in Coeur d'Alene, Idaho, before Hearing Officer Steve Wallace. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. Appellants Leslie and James Bening appeared at hearing. Assessor Mike McDowell, Residential Appraisal Manager Darin Krier and Appraiser Steven Hagler appeared for Respondent Kootenai County. This appeal is taken from a decision of the Kootenai County Board of Equalization modifying the protest of the valuation for taxing purposes of property described as Parcel No. 50N05W082475.

The issue on appeal is the market value of residential property.

The decision of the Kootenai County Board of Equalization is modified.

FINDINGS OF FACT

The assessed land value is \$379,368, and the improvements' valuation is \$174,305, totaling \$553,693. Appellants request the land value be reduced to \$186,850, and the improvements' value remain unchanged at \$174,305, totaling \$361,155.

The subject property is 4.907 acres improved with a residence, detached garage and pole building. County records show the main level with 1,248 square feet and a basement of 1,228 square feet. The house was constructed in 1988. The lot is rather irregular in shape resembling a flag lot. Appellants contend the County did not give due consideration to the difficulties associated with the property shape and homesite. The pole leg of the lot is the portion running down to and abutting the Spokane River. The residence is constructed on the narrow pole leg near the waterfront. The lot width at the home site limits development. As noted, the appeal

centers on the land component value, who's assessment more than doubled in 2006.

The land assessment is broken into two parts. One acre, the homesite acre, is first valued on a site basis. Remaining land is then valued at a much reduced rate per acre. Appellants contend homesites in the neighborhood are very similar and all should have the same or very similar assessments on the homesite acre. They characterize large disparities in area land assessments as errors.

Appellants provide as support for their over-assessment value claim an area sale which closed in early January of 2006. In noting the assessment date of January 1, 2006, it was testified the improved property was listed on the open market in 2005 and a \$440,000 price was agreed to then and accompanied by a large down payment. This sale included a 5.871 acre site, and a 1,724 square foot manufactured home assessed for \$80,057. It purportedly had 370 feet of river frontage. Subject has about 135 feet fronting along the river. The County did not consider this sale in its 2006 assessments due to the 2006 closing date.

Two fee appraisals on the subject property were also submitted by Appellants. The appraisals were performed for financing purposes. The first was dated May 26, 2006 and had a market value opinion of \$360,000. The second was dated September 20, 2006 with a value estimate of \$420,000. A driveway had been paved (\$15,000) and trees cleared between the first and second appraisal. The Assessor noted the fee appraisals did not include riverfront sales below the dam.

Appellants included other information for the Board's consideration and extensive exhibit materials.

Respondent explained subject and its neighborhood was last reappraised for the 2004 tax year. In 2005 and 2006 trends were applied to prior year values to keep pace with current

market prices (value). The Assessor generally agreed with Appellants that subject was located in a unique neighborhood. A fairly limited number of sales were used to establish the 2004 land values and these were drawn from a 3-year time window. Likewise there were few sales available to analyze for trending purposes. The 2006 trending applied to subject's prior assessed value was based on just two, 2005 vacant land sales. The BOE later reduced subject's 2006 land assessment rather substantially to the figure first noted above.

The County also presented extensive exhibit materials, many of which were related to neighborhood reappraisal and trending studies. There was no direct sales comparison analysis on subject similar to what was included in the fee appraisals and in Appellants' own analysis.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

The County has diligently looked to collect and consider available market information. This data was primarily analyzed and applied on a neighborhood basis. The BOE proceedings did specifically address subject property. However, the Board finds further consideration is due.

Appellants have presented extensive information on the subject property. The lot shape and river frontage are unique, as is the building pad for a riverfront site. The Board was not persuaded the County duly considered these features. Likewise the extensive trending in the last two years was based on limited, and only marginally representative samples. That is not to say notable price appreciation hasn't occurred. The County analysis was appropriate, but must ultimately result in a reasonable approximation of market value for subject. Appellants' case

focused on land value, the Board has considered that, but also believes the available evidence should be considered on a total property basis.

In the record before us, the Board holds Appellants have presented a persuasive case regarding the market value of the subject property. There are some timeliness issues with Appellants' market data, but much of the information is relevant to subject's value on January 1, 2006. Idaho Code § 63-205(1). No single piece of evidence stands out as the best, or exclusive, evidence of subject's market value. The Board finds most weight should be given Appellants' case and value opinion. However, the Board's ultimate decision rests upon the evidence and opinions expressed by Assessor's Office personnel as well.

The Board concludes subject's assessment should be further adjusted to reflect a total 2006 market value of \$400,000. The indicated value adjustment is applicable to the subject land component. Therefore the decision of the Kootenai County Board of Equalization will be modified.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Kootenai County Board of Equalization concerning the subject parcel be, and the same hereby is, modified to reflect a decrease to \$400,000. The land value will be reduced to \$225,695 and the improvements value will remain at \$174,305.

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellants.

DATED this 27th day of April 2007.